THE MINERAL INDUSTRY OF

MOLDOVA

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Moldova had a small mineral industry, the output of which, according to Soviet statistics, accounted for less than 1% of the value of Moldova's industrial output in the mid-1980's. The mineral industry was primarily engaged in the mining and production of industrial minerals, including cement, dimension stone, gypsum, limestone, and sand and gravel. More than 100 deposits in Moldova were being exploited for industrial minerals. Moldova also had a steel minimill in Rybnitsa. Moldova had been receiving more than 90% of its industrial raw materials and more than 98% of its fuels from other regions of the former Soviet Union (FSU).

In 1994, the Government of Moldova approved the statute "On the Procedures and Size of Payments for the Use of Underground Resources" which allowed for calculations to determine the amount of payments to be made for developing mineral deposits. The size of the payments would depend on the overall value of the deposit, the mineral content of the deposit, the length of time required for development, and other risk factors. The payments reportedly were to range between 2% to 5% of the value of the minerals.²

Moldova's gross domestic product(GDP) in 1994 reportedly decreased by 30% compared with 1993, while industrial output fell by almost 30%. These decreases were in sharp contrast to the preceding year, when GDP reportedly fell by less than 5% and industrial output increased. The decrease in GDP in 1994 was attributed, in part, to the severe drought in the country.³

Moldova's chief source of electric power was the Dnestrovsk powerplant which supplied about 85% of all electricity consumed in Moldova. It lacked fuel for continuous operations in 1994 because of Moldova's inability to pay for needed fuel imports.⁴

At yearend 1994, Moldova was in debt to Russia's Gazprom concern for natural gas deliveries. As part of the solution, a joint stock company was founded by Russia's Gazprom concern and the Moldovagas, Moldovatransgas, and the Tiraspoltransgas companies of Moldova. Gazprom had a 51% share in the company and Moldova contributed pipelines and gas distribution stations valued at \$80 million which would be subtracted from Moldova's gas debt. Furthermore, in 1995, Moldova would be able to import gas from Russia at a much lower price than in 1994, paying only \$58 per 1,000 cubic meters (m³) of gas in 1995, compared with \$80 for the same amount in 1994.

This new company will enable Russia to increase the

transit of gas through Moldova as well as operate and maintain the pipeline system, which is badly in need of repair. At present, natural gas comprises 30% of Moldova's total fuel consumption.⁵

Moldova reportedly reached an agreement with Iran to obtain 90% of its crude oil needs from Iran in 1995 at below world prices. Iran reportedly will sell Moldova 2.5 million metric tons (Mmt) of crude oil in 1995 and Moldova will be able to import 12.5 Mmt of crude oil from Iran during a 5-year period at a price 10% below world levels. The oil will be delivered by Moldovan tankers to the Romanian port at Constanta for refining. Moldova will pay Iran in hard currency and goods, including pumps, carpets, sugar, meat, and other products. ⁶

Moldova is on the western edge of the FSU. It is bordered by Romania to the west and is otherwise encircled by Ukraine. It was the second-smallest FSU republic in area. Moldova has one major waterway, the Diester River, which flows through Belarus, Moldova, and Ukraine to the Black Sea southwest of Odessa.

Because of its location, history, and ethnicity, Moldova has cultural and economic links with Romania, as well as with Ukraine, Russia, and the other FSU states. Moldova's history and ethnic composition are a factor regarding its future economic and political relations with Romania and other countries of the Commonwealth of Independent States (CIS), and the country has undergone civil strife caused by a Russian separatist movement in the Dniester region. The country shares a common border with Romania and the Moldovan language is a form of the Romanian language. While over 65% of its population is ethnic Moldovan, 13% of the population is ethnic Russian and 14% ethnic Ukrainian.

Moldova was almost entirely dependent on outside sources for its mineral raw material requirements with its mineral supplies having come almost entirely from the countries of the FSU. The nation is currently seeking to expand its suppliers beyond that of the countries of the FSU, and appears to have found a replacement in Iran for its oil previously supplied by Russia. However, Moldova's mineral supply situation still will be linked, for the near future, to its trade with the countries of the FSU for a large percentage of its mineral requirements.

¹Text prepared June 1995.

²Interfax Mining and Metals Report, Denver, Colorado, Nov. 11-18, 1994,

p. 3.

³Interfax Business Report, Denver, Colorado, Feb. 7, 1995, p. 3.

⁴Foreign Broadcast Information Service, U.S. Government publication, Washington, DC, SOV-95018, Jan. 27, 1995, p. 81, Basapress, in English Chisinau, 1950 gmt, Jan. 25, 1995.

⁵Foreign Broadcast Information Service, U.S. Government publication, Washington, DC, SOV-95-008, Jan. 12, 1995, p. 48, Chisinau, INFOTAG in English, 1930 gmt, Jan. 10, 1995.

⁶Summary of World Broadcasts, British Broadcasting Corp., Reading England, SUW/0358, p. WD/6. Nov. 11, 1994.

TABLE 1 MOLDOVA: ESTIMATED PRODUCTION OF MINERAL COMMODITIES 1/2/

(Thousand metric tons unless otherwise specified)

Commodity		1992	1993	1994
Cement	-	980	1,000 3/	1,000
Cement raw materials:				
Clays		400	350	250
Limestone		1,500	1,400	1,000
Gypsum		300	250	150
Sand and gravel	thousand cubic meters	5,000	4,000	3,000
Steel, crude		619 3/	604 3/	632 3/

^{1/} Previously published and 1994 data are rounded by the U.S. Bureau of Mines to three significant digits.

TABLE 2 MOLDOVA: STRUCTURE OF THE MINERAL INDUSTRY FOR 1994

(Metric tons unless otherwise specified)

Commodity	Major operating companies	Location of main facilities	Annual capacity e/
Cement	Rybnitsa cement plant	Rybnitsa	2,500,000
Gypsum	Krivskiy and drepkauskiy	In north west corner of Moldova	500,000 (total
	gypsum mines		of both mines)
Steel, crude	Moldova steel plant	Rybnitsa	700,000
e/Estimated.		•	

^{2/} Table includes estimates and data based on information available through June 9, 1995.

^{3/} Reported figure.